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R 191948Z MAY 81
FM SECSTATE WASHDC
TO AMEMBASSY ASUNCION
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E.O. 12065: N/A
TAGS: SHUM, ACLM, APER, PA
SUBJECT: LITIGATION AGAINST USG - [redacted] STAT
REF: (A) ASUNCION 1744, (B) ASUNCION 1476

State Dept. review completed

1. DEPT APOLOGIZES FOR GLACIAL PACE OF NEGOTIATIONS BETWEEN AGENCIES CONCERNING SUBJECT MATTER. FUNDING OF LEGAL COSTS IS STILL UNDECIDED. DEPT REQUESTS THAT EMBASSY ASK LOCAL ATTORNEY FOR STATEMENT OF FEE HE WILL REQUEST FOR ASSISTING IN NEGOTIATIONS. IF FIXED FEE CANNOT BE OFFERED, LOCAL ATTORNEY SHOULD BE REQUESTED TO PROVIDE ESTIMATED FEE AND BASIS (E.G. HOURLY RATE) THEREFOR.
2. IN VIEW OF FBIS CONCERN THAT SETTLEMENT BE ON EX GRATIA BASIS WITHOUT RECOGNITION OF JURISDICTION OF PARAGUAYAN LABOR COURTS OR OF VALIDITY OF JUDGMENT OBTAINED BY [redacted] STAT
[redacted] STAT
DEPT ATTORNEY THINKS IT WOULD BE PREFERABLE FOR EMBASSY JAO TO CONDUCT NEGOTIATIONS WITH [redacted] STAT

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DIRECTLY WITHOUT LOCAL ATTORNEY PRESENT. ATTORNEY SHOULD BE CALLED UPON FOR ADVICE ON HOW TO HANDLE NEGOTIATIONS AND ASKED TO PREPARE SETTLEMENT AGREEMENT OR RELEASE THAT WILL PRECLUDE FURTHER CLAIMS BY [redacted]. STAT
3. PENDING DEPT RECEIPT OF INFORMATION ON LOCAL ATTORNEY COSTS AND AGREEMENT BETWEEN AGENCIES ON FUNDING, EMBASSY

IN CONSULTATION WITH LOCAL FBIS SHOULD USE ITS OWN BEST JUDGMENT IN DECIDING WHETHER PRELIMINARY NEGOTIATIONS SHOULD BE HELD WITH [redacted] TO INFORM HIM OF RANGE OF STAT
SETTLEMENT FBIS IS PREPARED TO MAKE. FROM DEPT'S VIEW, ADVANTAGE OF PRELIMINARY DISCUSSIONS WOULD BE TO GIVE [redacted] SOME ASSURANCE THAT SETTLEMENT OFFER WAS FORTH- STAT
COMING. THUS PERHAPS DISCOURAGING ALTERNATIVE ACTION. DISADVANTAGE WOULD BE THAT EMBASSY WOULD NOT HAVE BENEFIT OF LOCAL LEGAL ADVICE BEFORE TALKING SETTLEMENT WITH [redacted] STAT
[redacted]. AND MIGHT CONCEIVABLY COMPROMISE USG POSITION. IT STAT
MAY ALSO BE CASE THAT SETTLEMENT OFFER AT RANGE PROPOSED BY FBIS WOULD BE MOST EFFECTIVE IF PAYMENT COULD BE MADE IMMEDIATELY UPON ACCEPTANCE. IN ANY EVENT, EMBASSY AND

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LOCAL FBIS IN BETTER POSITION THAN DEPT TO EVALUATE EFFECT
OF FURTHER DELAY. HAIG
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